Approved For Release 2007/09/17 : CIA-RDP87R00029R000200250015-5

THE DIRECTOR OF
CENTRAL INTELLIGENCE

Deputy Director for National Foreign Assessment

23 January 1981

STAT

NOTE FOR: [redacted]

Jack:

A preview of the approach that might be taken by the new Administration regarding changes in nonproliferation policy.

Tony

Approved For Release 2007/09/17 : CIA-RDP87R00029R000200250015-5

Approved For Release 2007/09/17 : CIA-RDP87R00029R000200250015-5

coverable plutonium than that in spent LWR fuel. While a substantial increase in the accessibility of weapons-usable material does not necessarily lead to its misuse, it could both facilitate any country's acquisition of nuclear weapons and increase uncertainty about the nation's intentions."

– Pearl Marshall, New Delhi

WYDLER TELLS REAGAN TO AVOID FIGHT ON NNPA WHILE SHIFTING U.S. NONPROLIFERATION POLICY

The Reagan Administration should not push to amend the Nuclear Nonproliferation Act of 1978 immediately after assuming power because of strong opposition expected in the House Foreign Affairs Committee, says former New York congressman John Wydler. Instead, Reagan should use his executive powers to make several changes in U.S. nonproliferation policy while he develops a strategy to get favorable consideration of NNPA amendments in the House, Wydler says in a white paper submitted to the Reagan transition team.

Wydler was the ranking Republican member on the House Science & Technology Committee until he retired after the 96th Congress. He suggests that Reagan take steps to immediately expedite NRC and State Department review of export licenses, particularly in cases where no sensitive nuclear technology or materials are involved. Reagan should move "to reassure our friends that nonproliferation policy will neither be used to deny them uranium nor nuclear technology. . . . The general approach should be to rejuvenate the Eisenhower 'Atoms for Peace' concept through aggressive nuclear leadership in the framework of assured energy supply while addressing realistic concerns about proliferation," Wydler says.

Nonproliferation policy can also be affected by Reagan's appointments to policy posts in the Departments of Energy, State, and Commerce as well as the National Security Council and the Arms Control & Disarmament Agency, and to nuclear technology transfer posts in NRC, DOE and the State Department.

Reagan should also establish procedures for prompt issuance of export licenses to nations with good nonproliferation credentials when those countries make such issuance a condition for accepting U.S. industry bids. Further, the new Administration should extend the cooperative agreement with Euratom so that the U.S. can renegotiate a new agreement under an amended NNPA. In addition, the Administration should modify the existing executive order requiring an environmental impact statement for U.S. reactor export. Wydler says this "unique practice not only imperils U.S. exports but offends foreign governments because it presumes that the U.S. has more concern about health, safety and the environment than the customer nation."

In his paper Wydler also suggests a number of changes to the NNPA, including the following:

– Replace requirements for renegotiation of international agreements with tight criteria so that the new policy assumes the traditional U.S. approach of "honoring the sanctity of contracts";

– Strongly support the idea of international plutonium management as a prerequisite for commercial use of breeders and of plutonium in fuel;

– Promote an international organization for reprocessing, plutonium storage, enrichment, fresh fuel transport and storage, and spent fuel storage and management;

– For countries that have renegotiated their agreements for nuclear cooperation, require an annual blanket State Department notification to take the place of the case-by-case notification now required;

– Provide for blanket export licenses for the lifetime of specific reactors, with executive branch or NRC review required only if a country does prohibited things with sensitive technology or materials, or if there is good reason to expect it will do so;

– Set a deadline for all government action associated with a nuclear export license, and require licensing if action has not been completed when the deadline passes, unless the President determines otherwise.

Wydler also recommends that export licensing authority be transferred from NRC to the State Department "so that NRC resources can be devoted to enhancing domestic nuclear safety." Further, he says, the Atomic Energy Act should be amended to include a statement of support for prompt development of the breeder and for future use of plutonium as a fuel under international management.

GOVERNOR STAYS UNC CHURCH ROCK EXECUTION

Gov. Bruce King of New Mexico, acting against the advice of his Environmental Improvement Division (EID), announced Jan. 9 that the state would allow United Nuclear Corp. to continue operations at its Church Rock mill for at least another 60 days, during which time the company would have to demonstrate to the state its ability to stem seepage from its tailings disposal area.

The governor said he had received assurances from UNC president Keith Cunningham that headway has been made on the seepage problem since a new well-intercept system was installed in September. The governor also said he had received assurances that the company would "cooperate" with the EID in resolving the matter. Neither the governor nor UNC officials have said, however, that seepage at the Church Rock mill site has been halted completely, but the governor did acknowledge that protection of 700 jobs at the mill and mine weighed heavily in his decision.

On Jan. 6, EID Director Thomas Baca advised the governor that UNC's seepage-intercept system had so far proven "inadequate," and that the mill should be closed until the company could demonstrate that seepage had been halted. Baca told NuclearFuel that he told the governor that, based on data supplied by the company, seepage of acidic, radioactive and toxic materials into ground water totaled some 70,000 gallons a day.

UNC, however, argued that the 70,000-gallon estimate was drawn from an analysis made shortly after the well-intercept system was put in place and that a more recent review showed that seepage was more in the neighborhood of 7,000 gallons a day. Said UNC's Richard Ross, "I think we will be able to prove soon that we are able to get a net backflow of water." Ross added that the drop from 70,000 to 7,000 gallons a day over a two-month period shows that the well-intercept system is working.

Baca has argued that even if the company has reduced seepage to the level it claims, seepage is still enough "to cover

Approved For Release 2007/09/17 : CIA-RDP87R00029R000200250015-5